



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 20, 1998

S. 389

Mandates Information Act of 1998

As ordered reported by the Senate Committee on Governmental Affairs on July 15, 1998

The Congressional Budget Office (CBO) estimates that enacting this legislation would result in no significant costs to the federal government. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 389 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no impact on the budgets of state, local, or tribal governments.

S. 389 would amend the Congressional Budget Act to change certain duties of CBO under UMRA. Specifically, the bill would require CBO to provide additional information when it determines that a bill contains a private-sector mandate with costs exceeding the threshold established in UMRA (\$100 million in 1996, adjusted for inflation). That information would include the impact of private-sector mandates on consumers, workers, and small businesses (including any disproportionate impact on particular regions or industries). Further, the bill would make legislation subject to a point of order if it included private-sector mandates with costs exceeding the threshold. Finally, S. 389 would amend UMRA to require that any new federal requirement or reduction in funding for certain large entitlement grant programs (such as Medicaid) would constitute an intergovernmental mandate unless the legislation that creates the mandate also provides new flexibility for state and local governments to offset these additional costs.

Based on the experiences of CBO and the Joint Committee on Taxation (which provides CBO with revenue estimates) in carrying out the provisions of UMRA, CBO estimates that neither agency would incur significant additional costs to implement the changes that would be made by S. 389. The number of bills containing private-sector mandates with costs exceeding the threshold and those affecting large entitlement grant programs is small. The additional workload thus would not be substantial. (Any increase in costs would be subject to the availability of appropriated funds for CBO and the Joint Committee on Taxation.) In addition, CBO estimates that changes to Congressional procedures would not result in additional costs.

On May 7, 1998, CBO transmitted a cost estimate for H.R. 3534, the Mandates Information Act of 1998, as ordered reported by the House Committee on Rules on May 6, 1998. The bills are similar, and CBO's estimates are identical.

The CBO staff contacts are Mary Maginniss and Elliot Schwartz. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.